

IA

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# Ailing Casey resigns as CIA director

By Richard Whittle

Washington Bureau of The News

WASHINGTON — CIA Director William Casey, still hospitalized after surgery Dec. 18 for a malignant brain tumor, has resigned and will be succeeded by his deputy, Robert M. Gates, the White House announced Monday.

If confirmed by the Senate, Gates, an expert on the Soviet Union who joined the CIA in 1966, will be only the third deputy in the agency's 40-year history to become director. He would be the first whose specialty is intelligence analysis rather than operations.

White House spokesman Marlin Fitzwater said Casey, 73, resigned in a letter to President Reagan after Attorney General Edwin Meese and White House Chief of Staff Donald Regan visited Casey at his Georgetown University Hospital room Thursday.

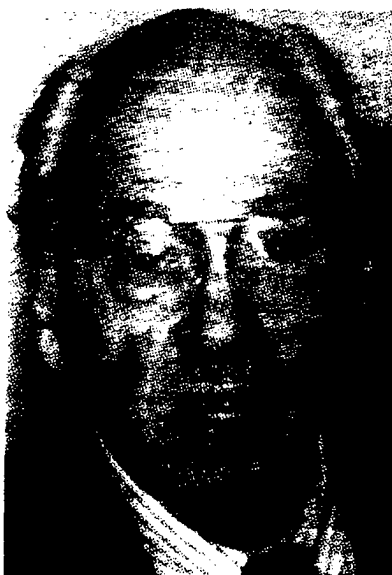
"It was Mr. Casey's decision to resign," Fitzwater said. "He saw that it would be some time before he would be able to return to duty and undertake full activities at the CIA. He realized the need for on-the-job leadership in the intelligence community."

The CIA director is in charge of supervising the nation's various intelligence agencies. Gates, 43, has been acting director of central intelligence since Casey fell ill and will remain acting director while awaiting Senate confirmation, Fitzwater said.

The Senate Intelligence Committee has scheduled a confirmation hearing for Gates on Feb. 17.

Fitzwater said Casey had "volunteered his resignation" during last week's session with Regan and Meese, but he said he did not know "how the meeting came about."

Fitzwater said the president had asked Casey, a longtime friend who managed Reagan's 1980 presidential campaign, to act as "counselor to the president" once he is sufficiently recovered. Casey "continues to improve steadily. He is alert and



**William Casey . . . has been hospitalized since Dec. 15.**

has visited fellow patients," Fitzwater said.

Casey entered the hospital after suffering a seizure Dec. 15, the day before he was to have testified for a second time before the Senate Intelligence Committee about the CIA's role in the secret sale of U.S. arms to Iran and diversion of some of the proceeds to the Nicaraguan rebels, or *contras*.

Sen. William Cohen of Maine, senior Republican on the committee, said last week that there were "deficiencies" in testimony Casey gave the panel Nov. 21.

Cohen did not elaborate. But an Intelligence Committee report on the affair released last week noted that Casey and Gates became aware in early October of suspicions among middlemen in the Iran arms deals that funds had been siphoned to the *contras*.

In his testimony Nov. 21, the report said, Casey "did not mention any possibility that there had been a diversion of funds from the arms sales to Iran." Meese disclosed the Iran-*contra* connection Nov. 25.

Gates later testified that the reason for the "omission" in Casey's testimony "was that 'the information was based on analytical judgments of bits and pieces of information by one intelligence officer, and that they (Casey and Gates) didn't consider that very much to go on,'" the report said.

Although the CIA officials failed to mention the suspicions to the committee, the report noted that as

early as Oct. 15 they gave Vice Adm. John Poindexter, who was then Reagan's national security adviser, a CIA memo warning that creditors of the Iran deals "might assert that money from the arms sales was being distributed to other projects of the U.S. and Israel."

A Senate Intelligence Committee aide said Gates would be questioned further in his confirmation hearing about why he and Casey failed to volunteer such information to the panel. He said Gates probably also would be asked whether the administration erred in failing to inform Congress of the Iran arms deals.

"This will be an open hearing, and he'll have some pretty specific questions about his role in the entire affair," the aide said of Gates. "But I don't anticipate at this juncture that there would be any serious doubt that he will be confirmed."

Robert R. Simmons, a former staff director of the Senate Intelligence Committee, said members of Congress were likely to view Gates as a "welcome change" from Casey, who was reluctant to volunteer information and was distrustful of congressional oversight.

Casey, a multimillionaire lawyer and World War II intelligence operative who served in several posts in the Nixon administration, repeatedly clashed with Congress — especially over his failure to tell congressional intelligence committees fully in 1984 of the CIA's involvement with the *contras*.

"I don't think Bob Gates has any of that negative baggage," Simmons said. "His perspective would be that of an analyst, whose career in intelligence has involved wrestling with analytical problems as opposed to running operations, whether it be covert paramilitary operations or clandestine collection."

Another Senate aide said that Gates was most likely to face opposition from conservatives such as Sen. Jesse Helms, R-N.C., who have long been dissatisfied with the CIA's analysis of the Soviet military threat and the alleged Soviet-bloc role in the 1981 plot to assassinate Pope John Paul II.

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## ROBERT M. GATES

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**Post:** Nominated to be CIA director

**Birth date:** Sept. 25, 1943

**Hometown:** Wichita, Kan.

**Residence:** Vienna, Va.

**Family:** Wife Rebecca; two children

**Academic:** Bachelor's degree, College of William and Mary, Williamsburg, Va.; master's degree in Russian history, Indiana University, Bloomington, Ind.; doctorate, Russian and East European studies, Georgetown University, Washington, D.C.

**Career:** CIA, 1966-74, 1979 to present; National Security Council staff, 1974-79; deputy CIA director, 1986; appointed acting CIA director, December 1986.

**Source:** Wire reports

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